

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1145 – HB 881

March 24, 2013

SUMMARY OF ORIGINAL BILL: Grants only licensed insurance producers the authority to: sell, solicit, or negotiate health insurance; make recommendations to purchasers, enrollees, or employers or prospective purchasers or enrollees concerning the substantive benefits, terms, or conditions of health plans; enroll an individual or employee in a qualified health plan offered through an exchange; or act as an intermediary between an employer and an insurer that offers a qualified health plan offered through an exchange. Requires the Commissioner of the Department of Commerce and Insurance (the Department) to adopt appropriate rules and establish training and certification for insurance navigators prior to a health insurance exchange becoming operational. Sets requirements for persons wanting to become insurance navigators. Authorizes the Commissioner to deny, suspend, or revoke the authority of a navigator upon good cause.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$84,000/FY13-14
\$138,000/FY14-15
\$78,000/FY15-16 and Every Two Years Thereafter
\$72,000/FY16-17 and Every Two Years Thereafter

Increase State Expenditures - \$64,800/FY14-15
\$61,600/FY15-16 and Subsequent Years

Other Fiscal Impact – The estimated impact, as shown above, assumes the U.S. Department of Health and Human Services (HHS) will finalize guidance on the roles of navigators by July 1, 2013. If HHS does not complete such guidance, it will inhibit the Department of Commerce and Insurance from promulgating rules and regulations necessary to effectuate certification and licensing of navigators.

SUMMARY OF AMENDMENT (004788): Deletes all language after the enacting clause. Prohibits an insurance navigator from selling, soliciting, or negotiating any policy of insurance, either within or outside an exchange. Authorizes the Commissioner of the Department of Commerce and Insurance to issue a cease and desist order to a navigator for violating state or federal law pertaining to an exchange and seek injunctive relief against a navigator acting in violation of state or federal law pertaining to an exchange. Authorizes the Commissioner to promulgate such rules and regulations as may be necessary or appropriate to regulate the activities of navigators as may be consistent with the *Patient Protection and Affordable Care Act*.

SB 1145 – HB 881

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – The U.S. Department of Health and Human Services (HHS) is expected to finalize guidance on the roles of navigators by July 1, 2013. If HHS does not complete such guidance, it will inhibit the Department of Commerce and Insurance from promulgating rules and regulations necessary to effectuate certification and licensing of navigators. Any registration fee revenue received by the Department, should it hold ability to register navigators is undeterminable at this moment in time.

Assumptions for the bill as amended:

- The Department of Commerce and Insurance would be required to hold a hearing to establish rule-making. Any necessary rule-making can be handled within the existing resources of the Department.
- According to the Department, it would be inhibited in rule-making because final guidance has yet to be received from the U.S. Department of Health and Human Services (HHS) on the role of navigators.
- According to the Department, it expects to register navigators in the state; however, any licensing would likely be handled by HHS. Any registration fee revenue is undeterminable due to the lack of assertion that the Department will be able to register navigators.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb